

Affordability Solutions to Stem Health Care Costs

Site-Specific and Appropriate Billing Policy Proposals

NCOIL 2024 Spring Meeting

July 18, 2024

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**BlueCross
BlueShield**
Association

Blue Cross Blue Shield Association is an association of independent Blue Cross and Blue Shield companies.

About BCBSA

- For more than 90 years, Blue Cross and Blue Shield (BCBS) companies have provided secure and stable health care coverage to people in communities across the country.
- BCBSA is a national federation of independent and locally operated BCBS companies collectively cover 1 in 3 Americans—serving those who purchase coverage on their own as well as those who obtain coverage through an employer, Medicare and Medicaid.
- Our mission is simple: We want everyone to have access to high-quality, ***affordable*** health care.

Affordability Solutions for the Health of America

Our solutions will save patients, seniors and taxpayers **\$767 billion over the next 10 years** by increasing competition among providers, lowering the cost of prescription drugs, and improving the quality of care

“Affordability Solutions for the Health of America”

Increasing Provider Competition

1. Expand Existing Site-Neutral Policies
2. Require Appropriate Billing
3. Strengthen Antitrust Enforcement

Lowering Rx Costs

1. Speed Generics and Biosimilars to Market
2. Preserve Cost-Management Tools
3. Narrow Big Pharma Marketing

Improving Quality

1. Accelerate Adoption of Value-Based Programs
2. Expand Telehealth Options
3. Modernize Prior Authorization
4. Modernize Data Exchange

Improving Affordability for Patients | Increasing Provider Competition

Transparency. Affordability. Fairness.

- Ensure consumers are not saddled with excess costs
- Limit facility fee charges in certain circumstances
- Require appropriate billing practices

What are Facility Fees?

"Facility fees are the charges institutional health care providers, such as hospitals, bill ostensibly to cover their operational expenses for providing health care services."

Georgetown University Center on Health Insurance Reforms

Characteristics:

- Supports hospital inpatient care services
- Hospitals and health systems add facility fees to cover higher operational costs
- Significant variance in service costs
- Higher costs for consumers getting outpatient services

What are Facility Fees? | Consumer Impact

KFF Health News

States Step In as Telehealth and Clinic Patients Get Blindsided by Hospital Fees

By Marianne Hawryluk
APRIL 9, 2022

In this episode of “An Arm and a Leg,” host Dan Weissmann speaks with Georgann Boatright, a retired speech pathologist from Oxford, Mississippi, who was told by her local hospital that she needed to pay an \$8,000 “operating room fee” for a routine test.

The Seattle Times

Local News

LOCAL BIZ NATION SPORTS ENTERTAINMENT LIFE HOMES OPINION | THE TICKET JOBS E

Politics Law & Justice Watchdog Mental Health Education Lab Project Homeless Traffic Lab Eastside

Health | Local News | Real Estate

Why you might pay twice for one visit to doctor

Originally published November 5, 2012 at 10:52 am | Updated November 5, 2012 at 1:01 pm

More patients are being confronted with hospital “facility fees” for routine doctors’ office visits. Hospitals say the fees are needed to cover overhead as they consolidate and buy clinics and practices, but the trend has spurred calls for more scrutiny.



Colorado Consumer Health Initiative

Health News

‘The Charges Seem Crazy’: Hospitals Impose a ‘Facility Fee’ – For a Video Visit

By Michelle Andrews
DECEMBER 17, 2021

Shockingly High Facility Fees Create Financial Burden for Consumers

MarketWatch

Home > Industries > Health Care

Latest Watchlist Markets Investing More

This increasingly common hidden fee is a nasty surprise on medical bills

Published: June 3, 2017 at 2:30 p.m. ET

— Emma Court

‘the room special,’ says one patient

How to Limit Facility Fees to Improve Healthcare Affordability for Consumers

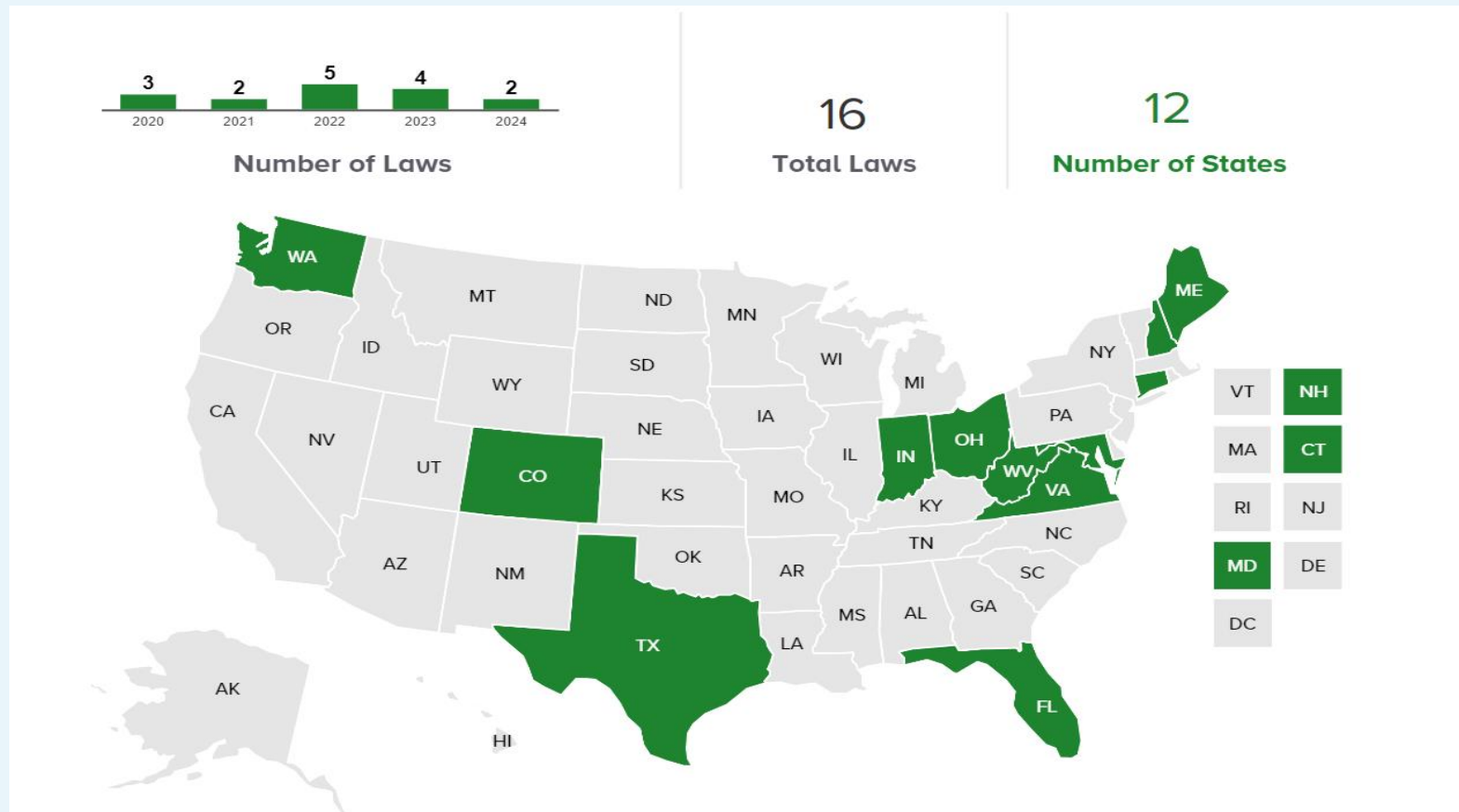
Facility fees cannot be collected from patients or carriers under the following 3 instances:

For healthcare services provided at an **off-campus location**

For outpatient services billed using evaluation and management codes **regardless of where the service is provided**

For outpatient services billed using evaluation and management codes when those **services are provided via telehealth**

Facility Fee Legislation 2020-2024

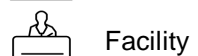
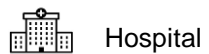
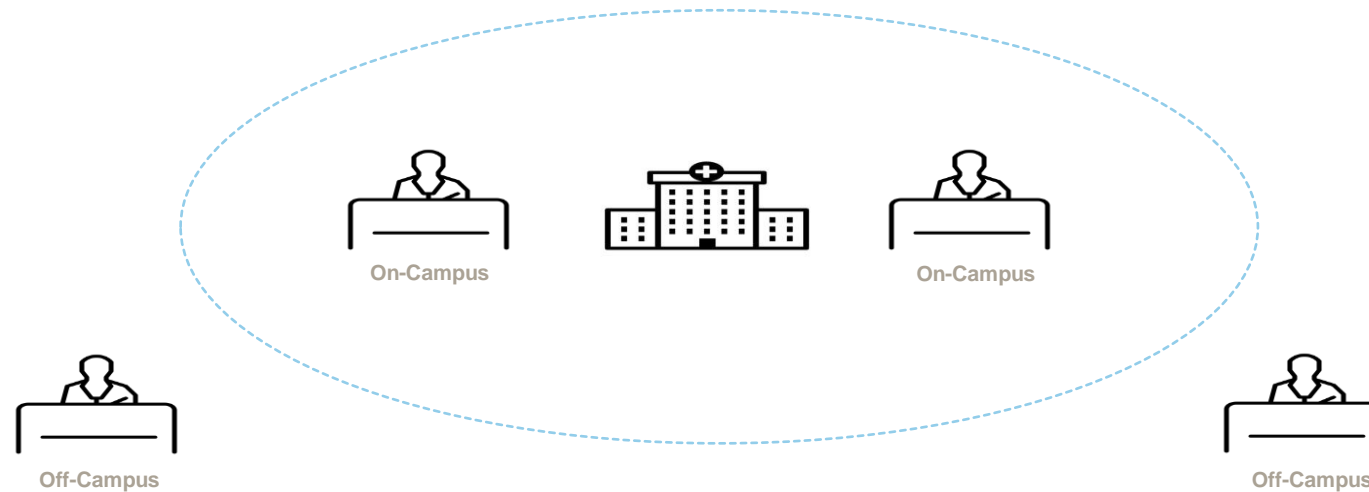


Limited Facility Fees | On-Campus vs. Off-Campus

- *Campus* means the physical area immediately adjacent to the provider's main buildings, other areas and structures that are not strictly contiguous to the main buildings but are located within 250 yards of the main buildings, and any other areas determined on an individual case basis, by the CMS regional office, to be part of the provider's campus. 42 CFR 413.65(a)(2)
- This definition of “campus” is used in ____ state bills.

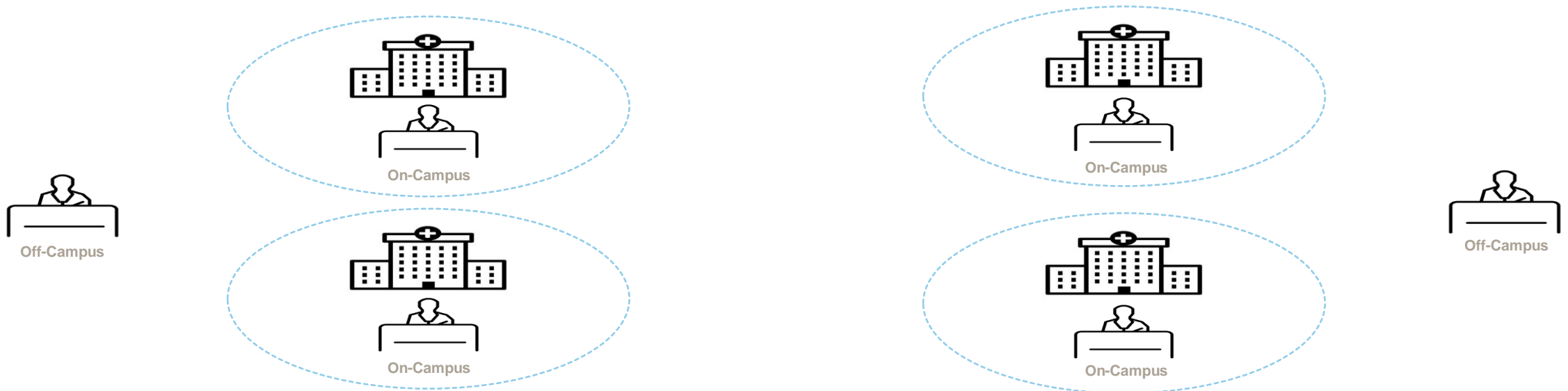
States Can Choose to Adopt CMS' Definition of "On- or Off-Campus"

Example 1: Single Hospital With On- and Off-Campus Facilities

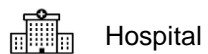


States Can Choose to Adopt CMS' Definition of "On- or Off-Campus"

Example 2: Health System With Multiple Hospitals with On- and Off-Campus Facilities



Facilities located within 250 yards of a hospital's main building are considered to be "on campus."



Hospital



Facility

----- 250 Yard Radius

Transparency is Key

Healthcare consumers deserve to know, in plain language:

- If they are being charged a facility fee
- What the grievance process is if they need to dispute a facility fee
- Their options to apply for a facility fee waiver process
- Information to understand why there were charged a facility fee
- Clearly identified facility fees in their healthcare bills

Improving Affordability for Patients | Appropriate Billing

- States play a crucial role in addressing inappropriate billing practices across the country by enacting policies that differentiate between hospital and non-hospital settings
- Separate NPIs needed for off-campus locations of healthcare facilities
 - When healthcare facilities accurately bill for services provided at certain outpatient facilities, payers can apply the correct rates and patient cost-sharing
 - Lower patient and employer health care spending
- Require hospitals to use the correct claim forms*, which include a “place of service code”, when billing for their off-campus outpatient sites

* CMS 1500 claim form and the HIPPA X12 837P professional forms

Improving Affordability for Patients | Appropriate Billing

- National Provider Identifier (NPI) is a 10-digit number CMS assigns to providers and practitioners
 - Helps send health information electronically more quickly and effectively
- Some hospital-owned off-campus provider offices use same NPI as the hospital and receive hospital reimbursement rates
 - Increased cost-sharing and higher premiums for consumers

Thank You